

Balaguer Inspiring Hope in Dominicans

By Joseph B. Treaster
SANTO DOMINGO, Dominican Republic — Joaquin Balaguer is a few weeks away from his 80th birthday and virtually blind. But he is proving to be a dynamic president of this Caribbean country, fighting waste and corruption, directing a huge public works program and taxing the stamens of aides half his age.

Even Critics Applaud Public Works Efforts

about 55,000 government jobs and has used the money to pay for his public works projects, which have created employment for nearly 100,000. But he has fallen behind in payments on the country's foreign debt of nearly \$4 billion and is facing tough negotiations with the International Monetary Fund.

He was elected to three consecutive terms as president, beginning in 1966. Before that he worked for nearly 30 years as a diplomat and cabinet member under the dictatorship of Rafael L. Trujillo. Shortly before being assassinated in 1961, Trujillo appointed him president. He served 18 months before going into exile in New York.



President Joaquin Balaguer talking with Dominican farmers during a rural visit.

U.S. Orders Anti-AIDS Measures in Health Jobs

By Robert Pear
WASHINGTON — The federal government will, for the first time, require private employers to protect the nation's health care workers against infection with the AIDS virus, Labor Department officials said Thursday.

The Public Health Service and the American Hospital Association already had recommended such precautions as the use of gloves and gowns to protect health care workers against the deadly AIDS virus.

The new policy will put the enforcement power of the federal government behind these recommendations, with violators subject to fines of up to \$10,000.

A senior Labor Department official was asked what would happen if, for example, a hospital allowed employees to empty bedpans and draw blood without wearing protective gloves.

"If we believe the employer was aware of the Public Health Service guidelines and failed to implement them, we could in theory cite the employer for a violation, and that could result in a fine of up to \$10,000," said the official.

Labor Department officials said that they would begin a campaign to educate health care workers and employers about the precautions required to guard against the virus that causes acquired immune deficiency syndrome.

In addition, they said, the department will begin the lengthy process of writing permanent rules to protect health care workers from the hazards of AIDS.

The policy is to take effect immediately, the Occupational Safety and Health Administration can start protecting health care workers immediately because it will use legal authority that it already has under existing statutes and regulations, the officials said.

Nicaragua Says It Took U.S. Missile From Rebels

By Julia Preston
MANAGUA — Government troops have captured for the first time a U.S.-made anti-aircraft missile from Nicaraguan rebels, Defense Minister Humberto Ortega Sarvez said Wednesday.

It was the fifth air drop directed by the U.S. Central Intelligence Agency that Nicaragua has intercepted this year, Mr. Ortega said Wednesday.

Since January, when the rebels began a prolonged offensive after receiving a new infusion of U.S. aid, both sides have said that the air war is central to the fighting.

Guerrilla leaders said the CIA-managed air resupply missions were crucial to sustaining their operations deep inside Nicaragua.

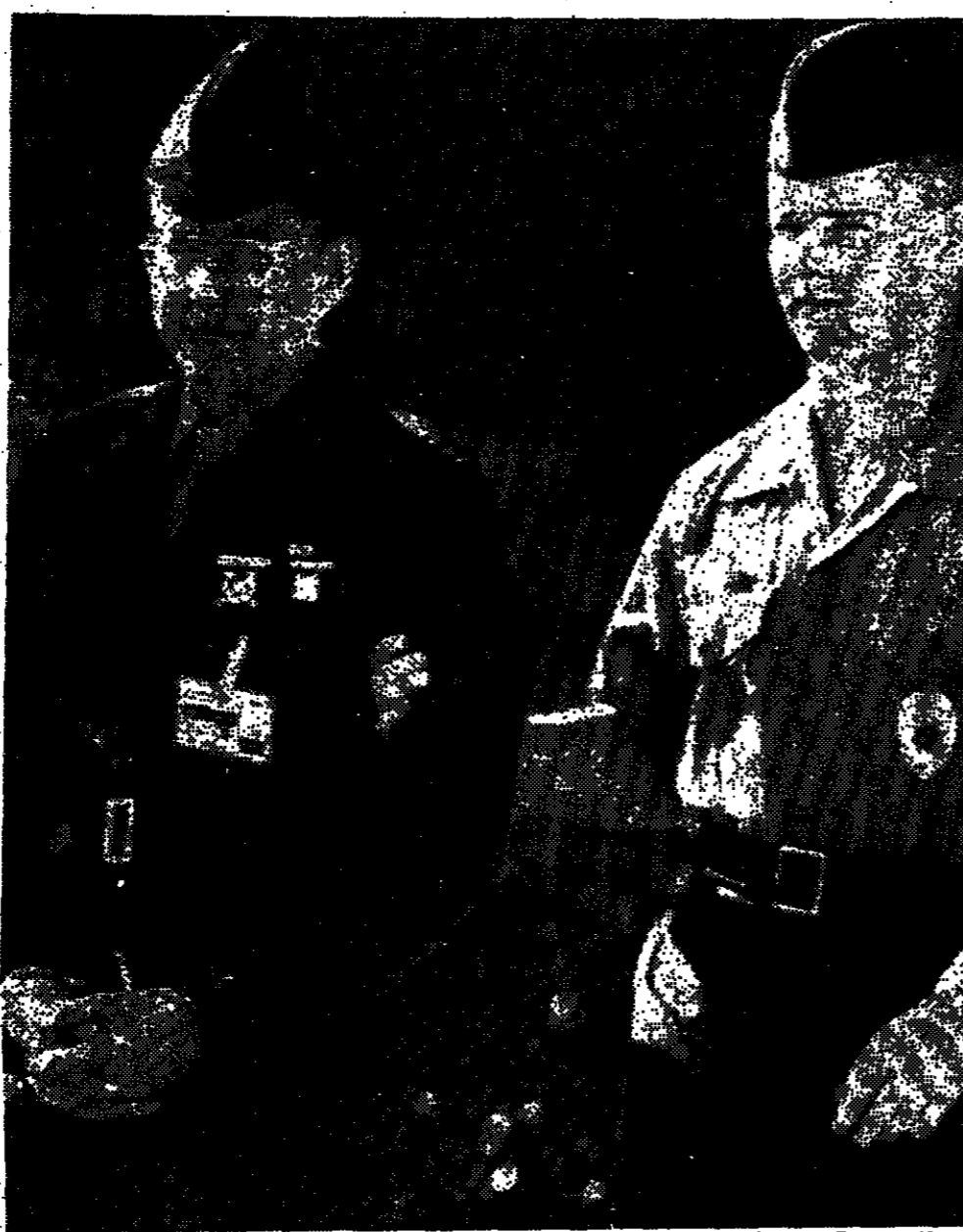
The rebels, known as contras, succeeded in hamstringing some Sandinist helicopter assaults with the heat-seeking anti-aircraft missiles known as Redeyes, U.S. military officers said.

The missile, numbered M41-A3, was captured July 19 in Chontales Province, about 125 miles (200 kilometers) southeast of the capital, Mr. Ortega said.

He said an airplane flying north from Costa Rica dropped a small team of paratroopers and their weapons. The missile, in a metal container lashed between car tires to cushion its fall, was among the weapons.

The rebel paratroopers escaped, according to Mr. Ortega, but a Sandinist unit blocked them from retrieving the weapons. The Sandinists also captured four parachutes and three helmets at the site, not far from where resupply planes carrying Eugene Hasseville, an American cargo handler, was shot down in October 1986.

Mr. Ortega displayed the U.S. Army Redeye, with the missile still ready to fire inside the launcher barrel, at a news conference, along with the parachutes and helmets.



Sergeant Clayton J. Lonetree is escorted out of court after the first day of his trial.

As Marine's Trial Opens, Defense Portrays Him as Persecuted Indian

By Richard Halloran
QUANTICO, Virginia — The trial of Sergeant Clayton J. Lonetree on charges of spying for the Soviet Union has opened at the Marine Corps base here with his lawyers seeking to portray him as a persecuted American Indian.

One lawyer, Michael F. Stuffle, questioned the military judge, Captain Philip F. Roberts of the navy, on Wednesday about whether he was prejudiced against Indians.

Captain Roberts, who was brought up in South Dakota, which has a large Indian population, denied any prejudice.

In addition, members of Sergeant Lonetree's family sat in the courtroom holding eagle feathers and later asserted that they thought the trial would be unfair.

Sergeant Lonetree, once a guard at the U.S. Embassy in Moscow, faces 13 charges of espionage, disclosing the identity of U.S. intelligence agents and disobeying regulations by consorting with a Soviet woman believed to be an intelligence agent.

Sergeant Lonetree did not enter a formal plea as the proceedings were concerned with motions. Earlier, he admitted having an affair with the woman but told The Record-Eagle, a newspaper in Traverse City, Michigan: "They're making a mountain out of an ant-hill."

The second day of the court-martial ended at mid-day Thursday

Defying Reagan, House Easily Votes Coverage for Catastrophic Illnesses

By Spencer Rich
WASHINGTON — The House has defied a veto threat and overwhelmingly approved a bill to protect the nation's 31 million elderly and disabled Medicare beneficiaries against "catastrophic" hospital and doctor bills.

The bill would have to pay no more than \$1,800 for nursing services covered by Medicare. Patients would be guaranteed up to a year of free hospital care after payment of an initial deductible of approximately \$344 in 1988 and \$580 in 1989.

Under existing law, only the first 60 days in the hospital are totally free after payment of the deductible, and Medicare does not pay anything after 150 days.

The Medicare program, which is financed jointly by the federal government and the states, provides health insurance for elderly and disabled Americans.

The measure was proposed by Otis R. Bowen, the secretary of health and human services, and President Ronald Reagan, but it was greatly enlarged by the Democratic-controlled legislative committees over Reagan administration objections.

The bill also guarantees that no Medicare patient need pay more than \$1,043 out of his or her pocket for covered doctor and outpatient bills in 1989.

At present there is no limit on out-of-pocket expenditures. The provision only covers Medicare-allowed amounts for doctor bills. If a doctor charges in excess of those limits, the patient would have to pay them.

Under the bill, Medicare would pay 80 percent of a beneficiary's outpatient prescription drug costs after those outlays exceed \$500 a year, a totally new benefit.

In addition, coverage for stays in a skilled nursing home would be increased to 150 days a year, with the patient paying for the first seven days at \$24 a day.

A beneficiary's total out-of-pocket costs for the hospital, doctor and other expenses on all covered benefits except drugs would be limited to just under \$1,800 annually. If the patient had high outpatient drug bills, the cost would be about \$2,300 plus 20 percent of drug charges exceeding \$500.

In a letter to House leaders, the Reagan administration charged that, based on its own estimates, the bill was not self-financed and would add \$20 billion to the deficit by the year 2005.

Pope Hopes to Mend Rift With U.S. Jewish Groups

By Roberto Suro
ROME — Senior Vatican officials say that Pope John Paul II is searching for ways to repair relations between the church and Jewish organizations after the widespread Jewish protests over his meeting with President Kurt Waldheim of Austria.

The effort has taken on a special urgency, the officials say, because the pope is scheduled to meet leaders of U.S. Jewish organizations in September in Miami.

Some prominent Jewish groups have said they will boycott the meeting to protest the Waldheim visit.

A senior Vatican diplomat said it seemed likely that the pope would offer a gesture of good will before the U.S. trip begins Sept. 10.

The diplomat, who asked not to be named, said: "The Holy Father is anxious that his meeting with the Jewish community in America go forward in a fruitful and friendly manner. It is very important."

After meeting with several top officials at the Vatican this week, Rabbi Marc H. Tanenbaum of the American Jewish Committee said

Richard Egan, Action Film Star, Dies

NEW YORK — Richard Egan, 65, an actor known for his roles as a tough leading man in action films and westerns, died of cancer Monday in Santa Monica, California.

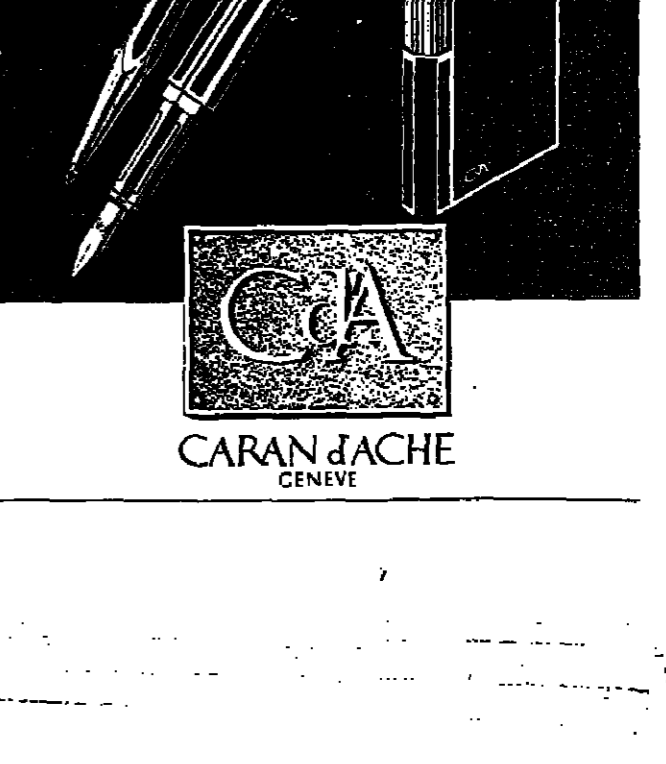
Although Mr. Egan never attained full stardom in major films, he had many feature roles in them, and starred in a succession of minor films. He was the young husband of Joan Crawford in "The Damned Don't Cry," and a gladiator in "Demetrius and the Gladiators," a 1954 sequel to "The Robe."

In 1955, he appeared opposite Tyrone Power and Susan Hayward in "The Untamed."

Lee Gaines, 73, Founded The Delta Rhythm Boys PHILADELPHIA (AP) — Lee Gaines, 73, bass singer and founder of the jazz and pop vocal group The Delta Rhythm Boys, died July 15 in Helsinki.

Hugh Bryant, Baritone With Delta Rhythm Boys PHILADELPHIA (AP) — Hugh Bryant, baritone for The Delta Rhythm Boys, collapsed and died of a heart attack in Helsinki on Wednesday while singing at the funeral of Lee Gaines.

Swiss made, synonymous with elegance and perfection The new hexagonal collection: an ultra-slim lighter with two gas-reserves and exclusive writing tools. Each item dressed in genuine chinese lacquer.



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TEATE

Harriet Hild

Herald INTERNATIONAL Tribune

The Admiral's Iran Policy

Like almost every witness in the Iran-contra hearings, Rear Admiral John Poindexter charged Congress with looking at the little picture, the trivia — deceit within the administration, lies to Congress, laws twisted here and there. He challenged critics to focus on the national interest, on policy.

For a Passable Trade Bill

Now that the Senate has passed its trade bill, the real decisions on American trade policy lie with the conference that is about to begin. Both the Senate's version and the one that the House of Representatives passed earlier carry an outrageous amount of bad and mischievous baggage.

Other Comment

Blinded by North's Medals: As Ollie-mania loses its grip on the American consciousness, its influence will similarly diminish, proving to have been as transient as the Nehru jacket. By the time the Reagan administration officially begins pleading its case for the contras this fall, we will no longer be blinded by the sight of a chestful of medals on an errant National Security Council staffer's chest.

Thoughts From 'Post-Totalitarian' Poland

By Henry Catto

WASHINGTON — Flying anywhere can be unpleasant these days, but taking Polish Airlines from Warsaw to Gdansk is downright horrific. Searching scrutiny upon boarding, a hassle over the fact that one has film in his camera (as I did), a requirement that passengers ask permission of the flight attendant before they can get up to go to the bathroom (an anti-hijacking precaution) — these were just a few of the amenities on our recent flight.

What to Do About Iran? Stay Away

By William Pfaff

PARIS — "Such a way of making war is indefensible, as it violates all the traditions." The complaint is that of an Austrian officer taken prisoner by the young Napoleon — the Napoleon who had abandoned the formal methods of 18th century warfare, substituted speed for mass, and thrown enthusiastic young revolutionary recruits against middle-aged professional soldiers accustomed to barracks and routine.

A Scorched-Earth Policy on Contra Aid

PATRICK J. Buchanan, the former White House communications director, has urged President Reagan to "demand" not request \$300 million for the contras. He should also "block any criminal prosecution of Poindexter or North," if necessary by pardoning the two in advance.

An Economic Everest for America's Next President

By Robert D. Hormatz

NEW YORK — With the campaign for the White House under way, it is worthwhile to consider how the next president might promote American economic interests in a world dramatically altered by recent market forces and shifts in the economic strengths of nations.

Deregulation Comes Down With a Thud

By Hobart Rowen

WASHINGTON — In Chicago the other evening, after all passengers were seated on an American Airlines flight to Washington, a stewardess' voice came over the loudspeaker: "Ladies and gentlemen, but we have an equipment malfunction, and we won't know for 30 minutes whether this flight will go."



As stronger carriers gobble up competitors through bankruptcies and mergers, a handful of giants has emerged: In Minneapolis and Baltimore, it is Northwest. In St. Louis, Trans World Airlines is king, with 317 departures compared to 22 for its nearest rival, Southwest Airlines. In Dallas, it is American Airlines. In Pittsburgh, USAir rules. According to Mr. Dempsey, Texas Air, United, Delta, American, TWA and Northwest control more than 84 percent of passenger traffic in the United States, up from 73 percent before deregulation.

IN OUR PAGES, 75 AND 50 YEARS AGO 1912: Tension on Cyprus. 1937: Easter Divorces. Nicosia — A report published in the Berlin press that this city is under martial law is absolutely untrue. A conflict broke out at Limassol on May 27 between the Greeks and the Turks, and the police fired upon the rioters, killing five. Since then racial feeling has been very intense, but nothing further has happened. A Greek member of the Legislative Council of Cyprus, knowing that the Herald was defending the Archbishop, called to explain the object of the Council's recent visit to London. "Greeks inhabiting Cyprus," he said, "urgently beg the British Government to restore the island to Greece, to whom it belongs by right of language, race and religion. There are in Cyprus some 212 thousand Greeks and 52 thousand Turks. In 1878 Cyprus was taken over by Great Britain, which has since neglected it entirely."

OPINION

First They Filled the Stores, Then They Filled the Streets

By A.M. Rosenthal

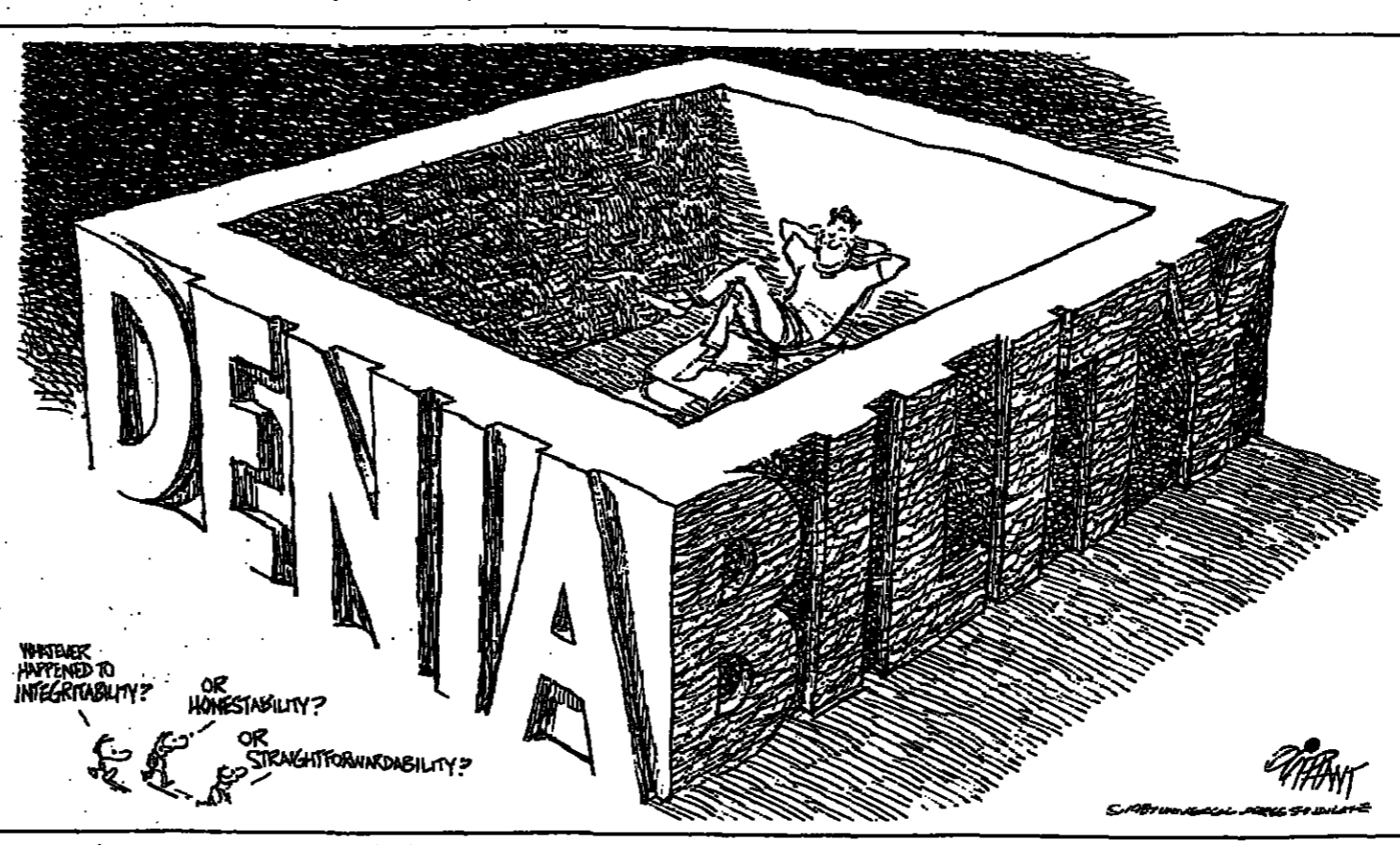
SEOUL — Through the iron grille guarding the entrance, the acolytes can be seen, neat in blue, standing silently in a great hall. A gentle recorded voice talks to them of their duties and aspirations and they bow seven times. A young woman walks a dozen steps and pushes a button. The grille lifts; the temple is opened.

ON MY MIND

again, for they know each person who has walked through the entrance is the essence of life: a customer! In a half-hour or so, the department store is jammed and it stays that way until closing time. The nine floors are stuffed with goods, and the him and beep of electronic equipment being tested and sold is background music all day long — and not just in the computerware sections. There are electronic sewing machines and electronic parlor fountains; the goldfish are not electronic.

There is an unending supply of everything: clothes, furniture, luggage, video equipment and vast amounts of food and drink. I thought setting out rows of empty glasses before invitingly open wine bottles was a nice touch. And however crowded it gets, there is a salesperson not only ready to serve but leaping out to inquire about the customer's desires.

There is a connection between the new commercial boom of South Korea, the laden shelves, the constant buying and selling and using, and what is taking place politically — the determined demand for political freedoms washing



50 Minus 4 Leaves Only Uncertainty

By Joe Murray

LUFKIN, Texas — If anybody asks how old I am, I say 46. But that's only half true. The other half of it is that I'm only four years short of 50, which is a whole lot older than 46.

MEANWHILE

kidding. What they mean is, they've come to realize they don't know nearly as much as they once thought they did. But I really did know everything. I still remember how it felt, to be totally sure of yourself and your judgment. It felt good.

For what it's worth, my wife disagrees. She says I never did know much, that I only thought I did. But she's getting older, too. She's forgotten how smart I was. But that's just part of the problem. They say you're only as old as you feel. Well, I wish I felt as old as I am. I keep waiting to mature. I've been waiting since I was 18. As far as I can determine, I've made no progress whatsoever. It seems that I may skip maturity altogether, go directly from adolescence to senility, from my first childhood to my second.

When I was 18, women stopped being pretty when they got past 23 or 24. Nowadays, I see women who are twice that age and older and who still look really good. Why that is, I don't know — the advance of medical science I suppose. But sometimes I wonder if it's just me. Most everything else is.

My wife probably knows. The older I get, the more she seems to know most everything. But I don't ask her about pretty women. I know better. At least I still know that much.

Democracy in Doubt

THE OPPOSITION'S instinct to re-arm itself with fresh demands does not augur well for a smooth process of democratic construction in South Korea.

While the two Kims — Kim Dae Jung and Kim Young Sam of the Renovation Democratic Party — passionately believe that "democrats" rather than the military should rule North Korea, they nonetheless regard power and legitimacy as essentially indivisible, and so only vaguely comprehend the practice of power-sharing, compromise and rule of law that are at the heart of the modern democracies.

Back to the Rock

Regarding the opinion column "Gibraltar: The Anachronism Must End" (July 8) by Victor de la Serna:

The comparison with Hong Kong is indeed very good: Hong Kong Island was ceded to Britain in perpetuity by a weak and pressured Chinese emperor, just as the Spanish king was forced to cede the Gibraltar cliff in 1713 after having lost it to British force in 1704.

Down With Androgyny

Regarding the Meanwhile column "When 'New Age' Men Cheer the Devil in Themselves" (July 3):

Garrett Epps's article on the growing male (and female) revolt against the excesses of feminism warmed the cockles of my rebellious and resentful heart. I have long had more than enough of hearing what a beastly, plotting, insensitive sex we men are.

Force Against Fanaticism

Regarding the New York Times editorial "No More Hoaxage Deals" (June 21):

Realists would recognize that appeasement only aids groups like Hezbollah. The only thing they respond to is superior force and a will to punish them hard with it when they breach the peace.

No Big Surprise There

Regarding the editorial column "The Kremlin Is a Major Player in the Middle East" (July 7) by Robert G. Neumann:

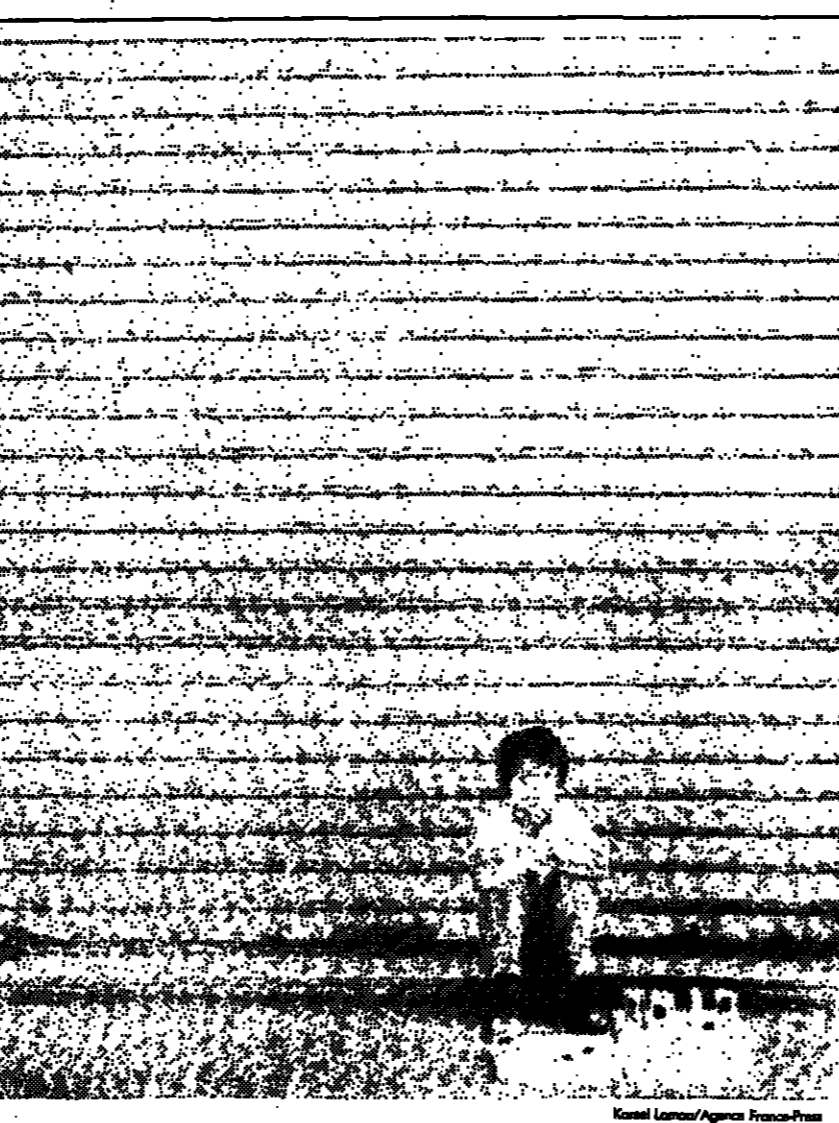
The Soviet involvement in the Middle East has been extensive, and the Soviet Union has played a major role in the area's politics for some 40 years.

Soviet Hedging on Pact In Pacific Raises Doubts

SINGAPORE — Qualifications expressed by the Soviet Union when it signed a treaty to make the South Pacific a nuclear-free zone have raised doubts about the value of Soviet assurances of support for similar arms control arrangements in Asia and Europe, officials in the region said Thursday.

Of the five nations that acknowledge possession of nuclear weapons — the United States, the Soviet Union, China, France and Britain — only the Soviet Union and China have signed protocols agreeing to the South Pacific treaty since it came into force last December.

The treaty prohibits testing, storing, or making nuclear weapons, and dumping nuclear waste. But it permits passage, through international sea-lanes and airspace in the zone, of ships and planes carrying nuclear weapons.



MAKING THE MOST OF A STRIKE — A Lebanese boy tried to sell cigarettes Thursday in front of a closed shop in West Beirut during a general strike. Officials said that four million people throughout Lebanon observed the strike, which was called to protest a high rate of inflation and a sharp decline in the value of the Lebanese pound.

Soviet Support of UN's Gulf Efforts May Not Extend to Arms Embargo

MOSCOW — Soviet support for a United Nations effort to end the Iran-Iraq war does not necessarily extend to a possible international embargo on arms shipments to the combatants, according to a Soviet official and Middle East diplomat.

The Soviet official, who is involved in Middle East policy but asked not to be identified, said Wednesday that Moscow's interest in maintaining good relations with Iran might preclude endorsing an arms ban aimed at bringing Iran into compliance with a Security Council resolution calling for a cease-fire.

A Soviet Foreign Ministry spokesman, Boris D. Pyadyshov, declined to say at a news conference Tuesday what position Moscow would take on an embargo.

Bonn Asks Tehran to Respect Paris Envoys' Rights

BONN — Foreign Minister Hans-Dietrich Genscher appealed Thursday to Foreign Minister Ali Akbar Velayati of Iran to respect the diplomatic rights of the French personnel blockaded by Revolutionary Guards at the French Embassy in Tehran.

Satirist Shot in London

Iran denied Thursday any involvement in the attempted killing of a political cartoonist who was shot and critically wounded outside a Kuwaiti newspaper office in London, The Associated Press reported.

Pentagon Delayed News Stories Sent From Ships in Gulf

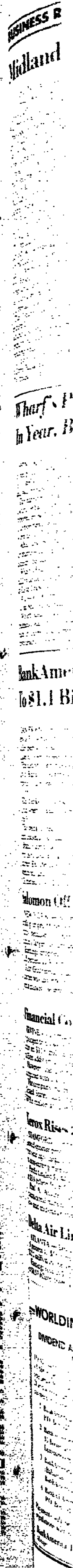
WASHINGTON — The Defense Department has disclosed that it withheld five news reports written Monday by journalists on board U.S. Navy ships in the Gulf because the dispatches contained "sensitive" details of the tanker escort operation.

Quake Hits Northern Iran

NICOSIA — An earthquake measuring 4.2 on the Richter scale shook Tabriz and the surrounding region in northwestern Iran on Wednesday night, the official Islamic Republic News Agency reported.

Islamic Jihad Issues Threat

The pro-Iranian group Islamic Jihad said Thursday it would not release its French hostages alive unless Paris met all its demands, Reuters reported from Beirut.



NYSE Most Actives table listing top trading stocks like SouthCo, Alcoa, and AT&T.

Market Sales table showing NYSE 4 p.m. volume, AMEX 4 p.m. volume, and OTC 4 p.m. volume.

NYSE Index table showing High, Low, Close, and Change for various indices.

Thursdays NYSE Closing Via The Associated Press

AMEX Diary table listing market activity on the American Stock Exchange.

NASDAQ Index table showing market performance on the National Association of Securities Dealers.

AMEX Most Actives table listing top trading stocks on the AMEX.

Dow Jones Bond Averages table showing yields for various bond categories.

NYSE Diary table listing market activity on the New York Stock Exchange.

Odd-Lot Trading in N.Y. table showing buy and sell volume for odd-lot trading.

Dow Jones Averages table showing the performance of the Dow Jones Industrial Average.

Standard & Poor's Index table showing market performance according to S&P indices.

NASDAQ Diary table listing market activity on the NASDAQ.

AMEX Stock Index table showing the performance of the AMEX stock index.

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed as Blue Chips Rise

Main NYSE stock price table with columns for 12 Month High, Low, Stock, Div. Yld. PE, and Close.

NEW YORK — Prices on the New York Stock Market ended mixed in moderate trading Thursday as blue-chip issues eked out slight gains despite broad-based profit-taking.

The Dow Jones industrial average rose 1.76 points to 2,471.94, but broad-market indexes slipped, and losing issues outpaced winners by 9 to 6.

Some analysts said the market was consolidating its recent advance. But Michael Metz, a portfolio strategist at Oppenheimer & Co., said the market is approaching a dangerous point.

When stock index futures became less expensive, traders can profit by buying the futures while selling the underlying stocks.

The Japanese declines have ominous deflationary implications for Japan and the rest of the world," Mr. Metz said.

comes apart, the Japanese will have less capital available to invest abroad." Hugh Johnson, head of the investment policy committee at First Albany, said Middle East tensions and the chance of a dollar slide to 145 yen from its current level near 151 yen were making investors nervous.

Southern Co. was the most active NYSE-listed issue, unchanged at 24 1/4. H.F. Ahmanson & Co. followed, easing 1/4 to 19 1/4.

AT&T was third, slipping 1/4 to 30 1/2. Among other blue chips, Union Carbide slipped 7/8 to 27 1/2 and American Express fell 1/4 to 34 1/2.

Walt Disney added 1/4 to 70 1/4, USAir rose 1/4 to 45 1/4 and Xerox climbed 1/4 to 73 1/4, all on positive earnings news.

Retailers slid amid profit-taking. Sears, Roebuck fell 1/2 to 52 after advancing 1 1/2 Wednesday, when it reported improved second-quarter earnings.

NYSE Mixed as Blue Chips Rise

Continuation of NYSE stock price table.

NYSE Mixed as Blue Chips Rise

Continuation of NYSE stock price table.

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Continuation of NYSE stock price table.

WEEKEND

- Summer Jazz Festivals
- Soundtrack Classics
- Avignon Theater Festival

International Herald Tribune

CRITICS' CHOICE

SALZBURG

Schoenberg as Festival Fare

Arnold Schoenberg's operatic fragment "Moses und Aron" will make its first appearance in the program of the Salzburg Festival, which opens Sunday and runs through Aug. 31. Schoenberg's work will be seen in the Felsenreitschule, beginning Aug. 13, in a production staged and designed by Jean-Pierre Ponnelle and conducted by James Levine, with Theo Adam and William Johns in the title parts. Other operatic productions new this year are Mozart's "Abduction From the Seraglio," conducted by Horst Stein and staged by Johannes Schauf in the Small Festspielhaus, and the Herbert von Karajan-Michael Hampe production of "Don Giovanni" done earlier this year for the Salzburg Easter Festival, in the Large Festspielhaus. Productions of Mozart's "Marriage of Figaro," Strauss' "Capriccio" and Monteverdi's "Il Ritorno d'Ulisse" are returning this year. Two other stage novelties are the world premiere of "Fürst von Salzburg — Wolf Dietrich," a "semantic chronicle" about one of Salzburg's prince-bishops with music by Gerhard Wemberger, being staged in the Felsenreitschule, and Franz Schmidt's oratorio "The Book With Seven Seals," being given in a scenic version staged by George Tabori in the University Church. Ballet, a rarity for the festival, returns this year in the form of two programs by the Harlem Dance Theater. Aside from the usual appearances of the Vienna and Berlin Philharmonic Orchestras and the Austrian Radio Symphony, the orchestral lineup also features the Dresden Staatskapelle, the Chamber Orchestra of Europe, the Israel Philharmonic, and the Philadelphia Orchestra's first appearances at the festival. Concurrent with the festival is an exhibition devoted to "World Premieres at the Salzburg Festival" at the Max Reinhardt Research Center in Schloss Arenberg.

BAYREUTH

Herzog Stages 'Lohengrin'

This year's Richard Wagner Festival opens Saturday with a new production of "Lohengrin," being staged by the film director Werner Herzog, with sets and costumes by Henning von Gierke and conducted by Peter Schneider. The cast includes Paul Frey in the title part, with Nadine Secunde as Elsa, Gabriele Schaut as Ortrud, Ekkehard Wlaschiha as Telramund, Manfred Schenk as the King and James Johnson the Herald. Revivals include Daniel Barenboim conducting "Parsifal" (staged by Götz Friedrich) and "Tristan" (in Jean-Pierre Ponnelle's production), and Wolfgang Wagner's productions of "Tannhäuser" and "Die Meistersinger," conducted respectively by Giuseppe Sinopoli and Michael Schonwandt.

AVIGNON

Painting Paris Society

The Musée Louis Voulant, a private museum that houses decorative arts and furniture from the 18th century as well as works by Provençal artists, is showing works by the painter and engraver Jean Patricot, best known for his portraits of the Tout Paris during the Belle Époque. Born in Lyon in 1865, Patricot married an American woman, and his works were seen in New York in the early part of this century. The exhibition of about 50 works from a private collection includes portraits of Patricot's wife and children, as well as engravings of such people as Marshal Foch and Princess Ourousoff. Musée Louis Voulant, 17 Rue Victor-Hugo, until Aug. 31. The museum is closed Saturdays, Sundays and Mondays.



AROUND SWITZERLAND

An Indian Summer

Contemporary and traditional art, music and crafts from India are being shown in seven Swiss cities this summer and fall. In Zurich, the Rietberg Museum is showing the art of the Mogul court painters until Sept. 27. In Lausanne, the Musée de l'Élysée is showing the collection of photographs of the Maharaja of Jaipur, one of India's earliest photographers. Alongside are Henri Cartier-Bresson's pictures of India and the work of 15 contemporary Indian photographers, until Aug. 16. Geneva's Museum of Ethnology is showing "The Thousands Faces of India," notably its applied arts, until December. The Fribourg Musée d'Art et d'Histoire will be showing Le Corbusier's vision of Chandigarh, alongside traditional Indian architecture. Meanwhile Indian music and theater will be performed in Geneva parks, and Sothby's will auction ancient jewelry from Sept. 14 to 27. Other events take place in Bern, Basel and Sierre. Further information can be obtained from Swiss tourist offices.

MONTE CARLO

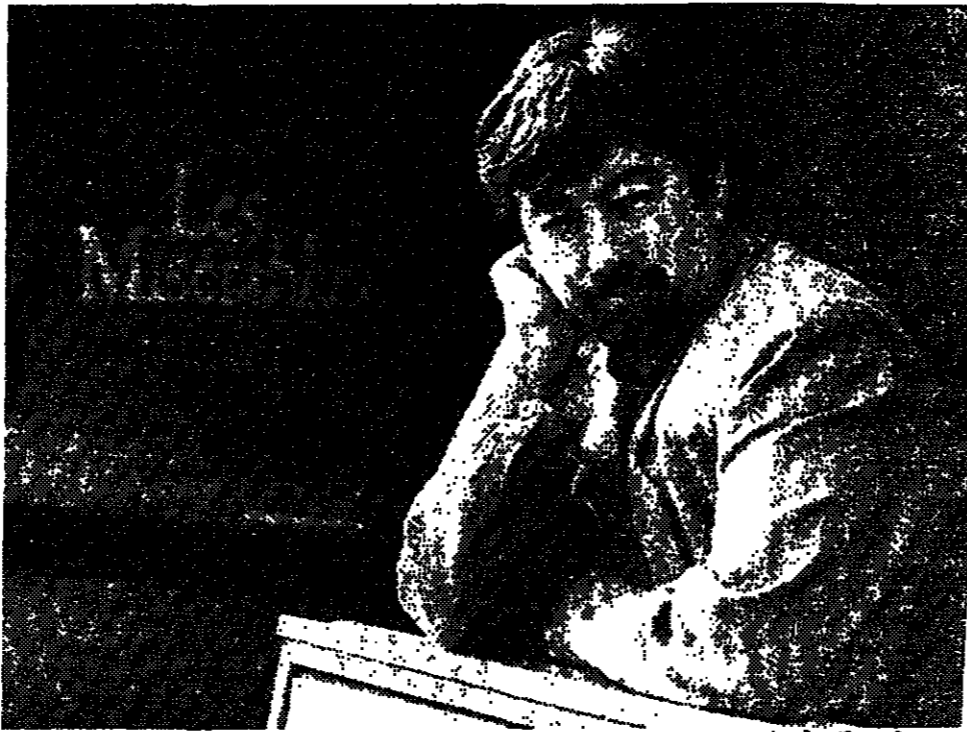
'Regent' Pearl on Show

The Regent pearl, owned by both Napoleons and once part of the French crown jewels, is on display at the Biennale des Antiquaires in Monte Carlo this weekend. It is the first time the gem has been seen in public for a century, according to its current owner, Fred Leighton, the leading American dealer in estate jewelry. Leighton bought the pearl, in association with the Geneva firm of Th. Horowitz, from the Youssouppoff family, who had acquired it in the great auction of French court jewels conducted under the Third Republic in 1887. The picture shows the pearl as it was set in a magnificent stomach-acher jewel made for the Empress Eugénie, wife of Napoleon III. Earlier, Napoleon I had had it set in a tiara for his second empress, Marie-Louise. Today's price for the pearl alone has been set at \$1.5 million.

Shakespeare's Men: The Art of Crisis



RSC directors, past and present, counter-clockwise from left: Peter Hall, Trevor Nunn and Terry Hands.



John Snow/Compass Press

by Robert Cushman

STRAFORD-UPON-AVON — The Royal Shakespeare Company has been in financial trouble ever since it was founded in 1960 by Peter Hall as a means of expanding the annual Shakespeare Festival at Stratford-upon-Avon. Hall opened a London base at the Aldwych Theatre, hoping to offer actors a sufficient variety of non-Shakespearean work to maintain their interest, and thus build up a semi-permanent company. Stratford at the time was economically self-supporting, but there was no way the London arm could be, playing in repertory without a guaranteed tourist audience and without a subsidy. Hall gambled on creating something so good that the government, through the Arts Council, would be shamed into supporting it. He succeeded, though it seemed at one point that he would go under first.

That was long ago, in 1962, but essentially the RSC's situation has remained the same. They have never had as much money as they would like — certainly never enough to feel secure. Threats of imminent closure unless more funding was forthcoming have become almost an annual event. Generally the money somehow has been found. This year it may not be. The company is one million pounds in the red and rumors have been rife that one end of the operation — Stratford or London — may have to be closed.

Twenty-seven years on, it is a much bigger operation, massive in fact. Hall gave way as director to Trevor Nunn, and Nunn to Terry Hands. The RSC, after waiting for many years, has its own purpose-built theater in the Barbican. It also has a flotilla of smaller theaters. At Stratford there is the Other Place, a converted shed (with an inexplicably magical atmosphere) mainly used for new plays and, as of last year, there is the Swan, purpose-built — and beautifully so — for the performance of Shakespeare's neglected contemporaries. The logic of the situation is that each of these spaces must have a London equivalent. Productions from the Other Place go to the Pit, a subterranean space in the Barbican. Swan shows go to the Mermaid, a celebrated City of London theater acquired for the RSC on a five-year basis by a friendly American producer, Frank Gero.

There are also tours. Two plays a year are taken around the small towns and villages of Britain. At the end of each Stratford season all the plays — 15 this year in the three theaters — are taken off for a season at Newcastle. There are commercial transfers. Three RSC shows — "Les Misérables," "Les Liaisons Dangereuses," and "Kiss Me Kate" — are in the West End at the moment, and the first two are playing on Broadway as well. Peter Brook, the RSC's elder statesman, has remarked that all this expansion is self-perpetuating: You open a new theater, so you need more money, so you open another theater. Artistically he finds this hyperactivity dangerous and, from his own point of view as a dedicated experimentalist mounting one or two plays a year at his theater in Paris, he may well be right. But the RSC is not that kind of organization and never could be.

Unfashionably, I regard the constant ferment as exciting in itself and as a guarantee that some work of quality will always emerge. The volume of failure seems to remain constant, however much or little work you do, so best leave as wide a margin as possible for success. And it doesn't make too much sense to talk of dilution of the RSC's identity. As long as the RSC maintains its Stratford-London axis, it will always be two companies — and if two, then why not three, four or more?

It happens that the financial crisis has coincided with artistic ones. The Barbican Theatre is housed in a concrete cultural complex in the middle of an up-market housing and office estate. Terry Hands loyally claims that he loves it, but nearly everyone else, audience and performers, finds it forbidding. And that's just the outside. The theater itself, new and expensively equipped, is huge. Its stage dwarfs, physically and spiritually, almost anything that can be put on it. After you've used up the year's supply of Shakespeare, where do you go?

In 1986 Stratford had an unusually brief season. (It was curtailed to make room for a revival of "Nicholas Nickleby" earmarked for a money-making U.S. tour; in fact it was a financial flop.) There were thus only

four Shakespeare plays to bring to the Barbican in 1986, and the season was filled up with what could loosely be called modern classics. They were all, on paper, interesting choices. Some were badly done, but even the good ones looked on — and — there wasn't an audience for them.

Ten years ago, at the Aldwych, there would have been an audience. That is the really frightening thing. The public for the classically-based theater is shrinking. It will go to plays it has heard of, or plays with stars (Jeremy Irons was a Stratford crowd-puller last year) or — the RSC's lifeline — to plays it is studying in school. Mercifully the plethora of examining boards in Britain means that any popular Shakespeare play will be a required school text for somebody somewhere.

This means, however, that the less popular plays are squeezed out of the main house repertoire. "A Midsummer Night's Dream" comes round again and again and so, this year, do "The Merchant of Venice" and "Twelfth Night." It becomes difficult for the core of resident directors, conscious of one another's previous productions, to see the plays fresh. And, most of the time, they are working with inexperienced actors. This is another function of economics. Most provincial repertory companies can no longer afford the number of actors needed for Shakespeare, so young actors get no practice and arrive at Stratford unable to speak the lines. Financial crisis — or the failure of the subsidy to keep pace with inflation — are destroying the structure of the British theater. It has been going on for years. Now even the critics have noticed.

Hands's production of "Julius Caesar" was intended to present the play as a study of personal jealousies and friendships, rather than as the standard political drama — which is fine, and could be refreshing, except that the leading roles were undercast and many of the

small ones colorless. "Caesar" always seems like easy meat, but its recent track record in the theater is dispiriting. It probably needs three star performances to make it work.

And yet, in the less demanding ambiances and acoustics of its smaller theaters, the company has done very well, showing that the problem in the main house is not so much lack of talent as lack of weight. At the Other Place "Fashion," a new and ironically titled play by Doug Lucie, the British theater's most acerbic chronicler of the 1980s, has been as well-received as any new work in this dismal year. "Temptation," by the Czech playwright Vaclav Havel, was a stimulating if ultimately confusing attempt at a comic parable about supping with the devil in a modern police state.

The Swan, meanwhile, has continued to delight, by demonstrating the untapped energy of Elizabethan drama. Marlowe's "The Jew of Malta," last done by the company 23 years ago, reaffirmed its identity as a hugely stage-worthy black farce with Alun Armstrong as a villain to captivate the whole house. A more esoteric choice was James Shirley's "Hyde Park," from the time of Charles I. This period, scorned by literary critics, was actually rich in comedy of manners. A young cast, led by Fiona Shaw, an angular comedienne of stellar quality, fought the perennial sex war with relish. Only the director's decision to update the action of Virginia Woolf's Bloomsbury was questionable. It worked, but it would have been nice to see Caroline society on stage. It's not as if we often get the chance.

Most notably the Swan made its first venture into Shakespeare with the blood-soaked "Titus Andronicus," the most neglected play in the canon. The director was Deborah Warner, new to Stratford after running her own shoestring Shakespeare company. The play, the space and Warner's spartan style sparked each other. The actors, on whom everything depended,

came through with performances both forceful and delicate. The production kept every line, and made every one of them work. The play generated not only horror but compassion. Brian Cox as Titus, an embryonic King Lear, occasionally brought his mad transports to the edge of farce — but only to the edge. He is an actor who may yet bulldoze his way to greatness. This was the RSC fulfilling its historic function, renewing a Shakespeare play for us, and renewing itself in the process.

It hasn't happened in the main house for several years and the odds are heavy. But that it can happen is ample reason for preserving the RSC. I imagine that the company will weather its present crisis. American philanthropy built the Swan, and private money could bale them out again. The government might even have a change of heart. Arts Minister Richard Luce's latest pronouncement is that future grants of public money will be linked to clients' ability to raise their own. This means that many organizations will go under, but the RSC is better placed than most — it can exploit its hits. "Les Misérables" is a terrible musical, but we have to be grateful to it for bringing in volumes of cash.

Many RSC activities are respectable enough to attract private sponsors, though private sponsorship never can — and never should — replace public. It is unreliable, and it can come with strings.

It may be that the RSC will have to retrench to Stratford alone and — though I hate to say it — that might not be the worst thing that could happen. The three theaters would still provide a sufficient variety of work, and they could concentrate, with some of the pressure off, on renewing their approach to Shakespeare. If that goes, everything does.

Robert Cushman is a leading London theater critic and broadcaster.



Antony Sher as Malvolio and Deborah Findlay as Olivia in the current production of "Twelfth Night."

WEEKEND



Jazzing Up Summer

by Mike Zwerin

A KIOSK in the lobby of the casino where the Montreux International Jazz Festival was held this month displayed little boxes containing what the French call copistes anglaises and the English call French letters, condoms in plain American. Overwhelmed by the implications, a critic exclaimed: "Now nobody can deny that jazz is a contemporary art form."

If you've ever been to one of these festive gatherings and seen a girl listening to George Benson with a "Michael Brecker Sound Krewe" T-shirt, you'll know what he meant. If not, let me explain. I count something like 150 summer jazz festivals in Western Europe, more than ever. Needless to say, there are nowhere near enough fans to go around. What is the secret? I thought you'd never ask. T-shirts.

worn as a badge advertising cultural relevance and safe adventure — perfect metaphors for the new jazz. It can also be reused to hold earplugs, which might come in handy should you ever be put in the unfortunate position of actually having to listen to any jazz at a jazz festival.

I overheard an American couple's heated discussion about this unlikely eventuality while a band called the Krokodilos played usung on the sunny casino terrace, where the official Montreux Festival holds its official "Off-Festival" (only in Switzerland could this happen, but that's another story). These afternoon concerts were free and the terrace was bustling with joyful people tickled pink not to have to sacrifice their tan for culture — and not to have to pay 55 Swiss francs to not listen inside. She was wearing an "I Love Brazil" T-shirt.

The most important thing at a jazz festival? Wow, man, what a drag. She (screaming): "Don't call me 'man'! People want to belong to something. To be part of a community. I find that totally normal. Jazz doesn't have to be intellectual. It's not my fault that Charlie Parker didn't make enough money and was so alienated he died at 35."

Metheny's electronic sampling, the sound and fury of the French rock group Rita Mitsouko and the pleasant Brazilian singer Joo Bosco. Nary a hornblower. Boisron said he tried to capture the spirit of jazz with his designs by listening to Louis Armstrong records while working on them, which is nice to hear from a 28-year-old French painter. On that — pardon the expression — note, it is time to bid a fond farewell to this lovely lakeside resort on the Swiss Riviera.

People of all races, ages and persuasions are eager visitors: From left, Montreux festival; Fats Domino at the Sporting Club, Monte Carlo; and devotees in Nice.

So much for gourmandise. Time for sociology. Overheard: American musician to local: "What do you do in Nice when there's no jazz festival?" Local: "Drink." The trumpeter Wild Bill Davidson: "I'm 81. I stopped drinking three years ago and it took me two years to stop shaking. I've had plenty of time to calculate it. I figure I drank enough whiskey to float all the battleships in the world."

Back in Nice, I realized that after all some jazz never went through a T-shirt period. The Modern Jazz Quartet is one exception to the rule. Those four classic gentlemen in their gray double-breasted suits and red-and-white polka-dot neckties lead us to another exception, Miles Davis (everything seems to lead to Miles Davis). Thirty years ago, while still in his Brooks Brothers period, he said: "Looking good is half the battle." Now wearing gold lamé, he has become the first jazz great to have a hair transplant. Miles was always ahead of his time.

40th Avignon Theater Festival: Program of Remarkable Range

by Thomas Quinn Curtiss

AVIGNON — As Avignon celebrates the 40th anniversary of its annual theater festival, the city has taken on a carnival aspect. At the head of the broad promenade, La Place de L'Hologe, a merry-go-round spins. Jazz bands and congo drum ensembles alternate in conducting concerts before the café terraces. Actors in feathers march to remind idlers about a performance of Aristophanes' "The Birds." A witch totters along to cast her spells at a children's entertainment. Total theater has taken over.

Alain Crombeque, the festival's administrator, a man of wide knowledge and experience, has drawn up a program of remarkable range. Topping its calendar was Antoine Vitez's production of Paul Claudel's epic spectacle of Spain's glory in the 16th century, "Le Soulier de Satin." In the immense open-air courtyard of the Palais des Papes, it was performed impressively against the castle's facade, and for the first time exactly as it was written, requiring almost nine hours.

Its staging here was divided into two evenings, but on special occasions it was offered at a single gulp, beginning at nightfall and continuing until sunrise, a mighty test of attention.

Claudel thought it beyond theater possibilities and refused requests to stage it after it was published in 1930. Jean-Louis Barrault convinced him to edit it to five hours and place it in the Comédie Française repertory in 1942. It has often been revived in the modified version since. Last year a Portuguese movie company shot it — in French — as a television serial that also received theater release but this was a mere photographing of the scenes and very uncinematic.

Its cycle of brief scenes are framed into sections — not acts, but "day's journeys," as they were termed by Spanish dramatists of the Baroque era. This permits boundless scope as the action moves swiftly from Spain to Africa and the newly discovered lands across the Atlantic, and on occasion to the heavenly realms. Claudel employs the scheme to dovetail the history of Spanish expansion with a thwarted love story.

Doña Prouhèze, unhappy in her marriage to an elderly husband, is enamored of Don Rodrigue, a warrior empire builder, who is also smitten with her. She places one of her satin slippers before the statue of the Virgin so that she may enter only stumblingly into the adultery she intends. Duty and circumstance keep the lovers from the sinful step of purity, dies in a state of grace, promised by her guardian angel that she will shine as a star for her virtue.



"Le Soulier de Satin."

Don Rodrigue a complete portrayal. The outstanding performances are elsewhere — in Jany Gastaldi's Doña Musique and in Robin Renucci's characterization of Prouhèze's second husband.

Vitez's staging will be seen in Paris in the fall at the Théâtre de Chaillot. Harold Pinter arrived at Avignon to inspect a production of three of his recent plays by members of the Comédie Française at the Clôître des Carmes in an open-air auditorium. Pleased with the performance, Pinter took the stage to thank the company.

Tilly (who directed his own play) looks at racial prejudice in France today. A woman whose husband has been working in the Ivory Coast brings along her black servant when she visits her parents' home in Brittany. One evening the servant returns from a local kermis slightly intoxicated and politely invites the lady to join him in bed. Indignant at the proposal she summons her father to protect her and he, a retired policeman, locks the bewildered black man at the point of a rifle into a cupboard to await the arrival of the militia.

Well-intentioned and topical, the play was also competently acted, but its characters are stereotypes, from the former policeman to the silly wife and even the naive domestic from the Ivory Coast. Only the young daughter of the insulted woman, who sympathizes with the black man, has any authenticity, though she has been sentimentalized. For a protest piece about rising racism, the script is rather tame, actually a mildly satirical comedy about the stupidity that reigns over a middle-class family trying with imbecilic bigotry to hold the color line.

Among other highlights of the festival was a new French production of Eugene O'Neill's "A Moon for the Misbegotten." Robert Pinget, who took to playwrighting in the 1960s and has established a cult following, is a guest of honor, and several of his plays were performed.

There is some light entertainment on the off-Avignon schedule. "The Assassin Is in the House" burlesques crime fiction with its detective duo — Francis Ginibre and Eric Carrière — illuminating the theater in a search for a killer at large and holding as murder suspects members of the audience. Another escapist interlude is "Les Peripatéticiens" in which two gigolos who have been shipwrecked on a desert island find another survivor, a dowdy female and, working their professional charms, convert her into a desirable sex object. Both these diversions are on view at 6:30 P.M. in the Ciné-Vox theater. This permits one to attend a main event later in the evening.

Jacky Azencourt is repeating his dynamic adaptation of Céline's "Mort à Crédit" at the Théâtre du Balcon. This fascinating tour-de-force holds spectators riveted with its fury and power. At the Restaurant Le Vernet, Mentor de Cooman is sponsoring the 18th-century epicure Brillat-Savarin, author of "The Physiology of Taste."

Two exhibitions are musts. One is devoted to the festival's history and the work of its founder, the late Jean Vilar, who, among other feats, discovered Gérard Philipe as a classic actor and guided the festival's course through thick and thin, acting and directing many memorable productions. Claude Roy's biography of Vilar has just been published by Calmann-Lévy. The centenary of Louis Jouvet's birth is being commemorated with a show of the scenic decor and posters of his productions. He, too, has been honored this year with a new biography, by Jean-Marc Loublier.

Advertisement for 'The Food Lover's Guide to France' by Patricia Wells. Includes text: 'If you love food, and are headed for France, Wells' book is a must.' 'I have never read a food or restaurant critic that I have found to be so reliable, so thorough, and who makes me so damn hungry...' Robert M. Parker. From the author of the acclaimed Food Lover's Guide to Paris. Now available. The Food Lover's Guide to France by Patricia Wells. Patricia Wells' new book is a mouth-watering guide that leads food lovers through the gastronomic pleasures of France from North to South and East to West. Traveling over 30,000 miles on an exhilarating culinary treasure hunt, Ms Wells writes of her discoveries: great restaurants, cafés, markets, pastry and cheese shops. Chapters are arranged by province and include a description of the region, a map, best months to visit, and other details. A French English glossary provides handy translations — and 75 authentic recipes from local chefs allow travelers to recreate French food experiences at home. Patricia Wells is restaurant critic for the International Herald Tribune and an award-winning contributor to the New York Times. Order her new book today and capture the food magic of France. 588 pages, paperback, with 150 black-&-white photos, 6 x 9 in (15 x 23cm).

BUSINESS ROUNDUP

BELGIUM: A Country as Corporate Takeover Target?

(Continued from Page 1) purpose, what is the intention? I don't know. He warned, however, that Generale de Belgique had "appropriate means" to repel a raider.



Sir James Goldsmith, left; the French insurance group Axa, and Nomura Securities of Japan.

The prospect of a hostile takeover has surprised most financial experts. Royale Belge SA, a Belgian insurer in which Generale de Belgique has a large holding, beat off a bid by Axa earlier this year, demonstrating that Belgian companies can evade an unfriendly takeover move.

After Cote d'Or, there is a bit of hysteria about takeovers," said an official at Banque Bruxelles Lambert SA, one of the largest Belgian banks.

Skilled analysts remain a bit puzzled over the motives for a hostile buyout. Generale de Belgique posted a 1986 net income of nearly \$5.5 billion, French francs, but the result was largely due to a one-time gain. Although the holding company controls some attractive compa-

Nestlé's Revenue Declines by 13% To 17 Billion SF

VEVEY, Switzerland — Nestlé SA said Thursday that group sales had fallen 13 percent to 17 billion Swiss francs (\$11 billion currently) in the first half of the year. It blamed currency factors and low raw coffee prices.

Thierry Lacroix at Pictet & Compagnie in Geneva said: "We all realize that Nestlé is not really a Swiss company, and that only 2 percent of its sales come from Switzerland. So the decline of the dollar is going to have an immediate effect."

Deutsche Bank Seeks 50% Of Canada Broker, McLean

FRANKFURT — Deutsche Bank AG, West Germany's largest commercial bank, said Thursday that its Canadian subsidiary would seek to buy a 50 percent stake in a Toronto stockbrokerage, McLean McCarthy.

Lanerossi Sale Creates Textile Giant

MILAN — The takeover of Lanerossi by Marzotto SPA will create Italy's largest textile company, with annual combined sales of 1.3 trillion lire (\$966 million).

CARS: Ford Again Outearns GM

(Continued from first finance page) GMAC, the financing subsidiary, earned a second-quarter record of \$411.8 million. Hughes Electronics contributed \$178 million and EDS \$72 million.

GM's share of the overall car market has eroded in recent months to about 37 percent, from more than 41 percent last year. Analysts expect GM's share will hover around the 35 percent level in the coming years as it faces strong challenges from numerous foreign carmakers carving up a smaller market as well as improved sales from archrival Ford.

Ford attributed the earnings increases to higher shares of the car and truck market, which were only partially weakened by lower volumes in the overall industry.

INTERNATIONAL REAL ESTATE MARKETPLACE

Real estate listings categorized by region: REAL ESTATE INVESTMENTS, REAL ESTATE FOR SALE, REAL ESTATE TO RENT/SHARE, and REAL ESTATE UNFURNISHED. Includes sections for USA, FRANCE, GERMANY, ITALY, SWITZERLAND, and others. Features a large advertisement for Hampton & Sons in Beverly Hills, CA, and a 'FORBES EUROPE' advertisement at the bottom left.

Midland Posts £521 Million Net Loss

By Nina Martin
International Herald Tribune
LONDON — Midland Bank PLC reported Thursday that its pretax operating profit rose 29 percent to £251 million (\$400.3 million) in the first half of 1987, but extraordinary items related to doubtful debts and capital restructuring resulted in a net loss of £521 million.

Smiths to Pay \$350 Million For Lear Unit

Reuters
LONDON — Smiths Industries PLC said Thursday it had agreed to buy some of the aviation electronics operations of Lear Siegler Holdings Corp. for \$350 million.

Norsk Hydro's Profit Rose 92% in Half, to \$129 Million

Reuters
OSLO — Norsk Hydro A/S, Norway's biggest diversified corporation, said Thursday that higher earnings from fertilizers and petrochemicals had helped raise its after-tax profit by 92 percent for the first six months of 1987.

2 U.S. Papers Report Profit Gains

International Herald Tribune
The Washington Post Co. and The New York Times Co. have reported substantial gains in second-quarter earnings.

Nixdorf Says Revenue Rose 13% in First Half

Reuters
MADRID — Nixdorf Computer AG's world group revenue rose 13 percent to 2.08 billion Deutsche marks (\$1.12 billion) in the first half of 1987 from 1.84 billion DM in the 1986 period, the management board chairman, Klaus Luft, said here Thursday.

Wharf's Profit Rose 21% In Year, Below Forecast

Reuters
HONG KONG — Wharf (Holdings) Ltd. reported Thursday that its net profit climbed 21 percent to \$59.2 million Hong Kong dollars (\$110 million) in the year ended March 31. The result was below analysts' predictions of 800 million dollars or more.

IBM Sets Up Unit to Emphasize Software

Los Angeles Times Service
SAN FRANCISCO — International Business Machines Corp. has announced a reorganization designed to bolster its software position and strengthen its hand against Digital Equipment Corp. in the market for midsize computers.

Digital's Net Up 58% in Period

New York Times Service
NEW YORK — Digital Equipment Corp. has reported that net income in its fourth fiscal quarter jumped 58 percent from a year earlier.

BankAmerica's Loss Grew To \$1.1 Billion in Quarter

United Press International
SAN FRANCISCO — BankAmerica Corp. said Thursday that its loss grew to \$1.1 billion in the second quarter from \$640 million in the year earlier period, mostly due to its decision to set aside an additional \$1 billion to cover possible loan losses in the developing world.

Company Results

Table with columns for Company Name, Quarter, Revenue, Profit, and other financial metrics. Includes sections for Other Earnings on Page 10, United States, and International.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 23rd July 1987

Large table listing various international funds with columns for fund name, currency, and price/quote.

Salomon Off 66% to \$40 Million

NEW YORK — Salomon Inc. said Thursday that its second-quarter profit plunged 66 percent to \$40 million from \$117 million one year ago, partly because of sharply lower earnings at Salomon Brothers, the nation's largest securities firm.

Financial Corp.'s Loss: \$177 Million

IRVINE, California — Financial Corp. of America said Thursday that it plunged to a loss of \$176.8 million in the second quarter, as expected, after an \$11.6 million profit a year earlier, largely because of a \$165.5 million addition to its reserve for losses on loans and real estate.

Xerox Rises 26% to \$154 Million

STAMFORD, Connecticut — Xerox Corp. on Thursday reported that second-quarter profit rose 26 percent to \$154 million from \$122 million one year ago, largely on strong domestic and international demand and its cost-cutting measures.

Delta Air Lines Improves 65%

ATLANTA — Delta Air Lines Inc. said Thursday that profit jumped 65 percent to \$58.8 million for the fourth quarter ended June 30, from \$22.2 million in the year-ago period.

WORLDINVEST INCOME FUND

DIVIDEND ANNOUNCEMENT DECLARATION OF DIVIDEND No. 21
The Managers of the Worldinvest Income Fund are pleased to announce a US\$5.50 per share distribution to Shareholders in respect of the half year period from December 31, 1986 to June 25, 1987.

CALL FOR BIDS No. (33) ANNOUNCEMENT

Dawson, EL NASSR trust, invites submission of bids, under sealed cover, for the supply of (2) two units, each of 400 kVA, mobile generating sets, freighted, either from local market or through a letter of credit from foreign market in accordance with the following conditions.

LONGINES advertisement featuring a watch image and text: 'Conquest VHP in titanium and gold', 'Chronométric - Joaillerie Clarence', 'Rue du Marché 3, 1204 Genève'.

Dollar Slips Ahead of U.S. GNP Data

Compiled by Our Staff From Dispatches NEW YORK — The dollar closed slightly lower Thursday in trading described as lackluster and directionless ahead of the latest report on the economy.

London Dollar Rates

Table with columns: Currency, The, and Wed. Values for Deutsche mark, Swiss franc, Japanese yen, and French franc.

inflows into this country," Mr. Rotondo said. "In June and thru mid-July, the amount of capital inflow from the Japanese has been at record levels."

compounded by rumors that U.S. second-quarter figures for GNP would show a 0.5 percent increase, instead of the 1.5 to 2.5 percent widely predicted by economists.

Seoul Plans to Appreciate Won

SEOUL — The South Korean finance minister, Chung In Yong, said Thursday that the government was planning a sharp appreciation in the value of the won.

Mellon Bank Fills President's Post

By Arthur Higbee International Herald Tribune Mellon Bank Corp., in a step toward restoring its financial health, has hired Anthony P. Terracciano, the vice chairman of Chase Manhattan Corp., as its president and chief operating officer.

Chief Resigns At Texas Bank

DALLAS — Robert H. Stewart, chairman of First Republic Bank Corp., who was instrumental in the merger that created the largest bank holding firm in Texas, is resigning the post he held for six weeks.

Outlook for Japanese Bonds Is Cloudy Despite Stabilization

TOKYO — The recent drop in Japanese government bond prices may have ended, but the market's longer-term outlook is clouded by uncertainty over exchange rates, interest rates and the health of Japan's economy, bond managers say.

Ministry, which helped underpin the market, managers said. But the direction of monetary policy remains unclear.

set," said Hideo Asaka, manager at Saitama Bank Ltd.'s securities section.

Japan's Economic Planning Agency said Thursday that the economy was gaining ground steadily, supported by personal spending and housing construction.

GE: Swap Benefits Thomson in Consumer Electronics

(Continued from first finance page) financial services with the purchase of Kidder, Peabody & Co., an investment banking house, last year and Employers Reinsurance in 1984.

With this acquisition, Thomson will more than double its TV production, to about 7.5 million units a year, becoming second to Philips in the world.

strong presence in the United States, Europe and Japan. The merged businesses will command a world market share of nearly 25 percent.

Thursday's OTC Prices MASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table A: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CHX Net

Table B: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CHX Net

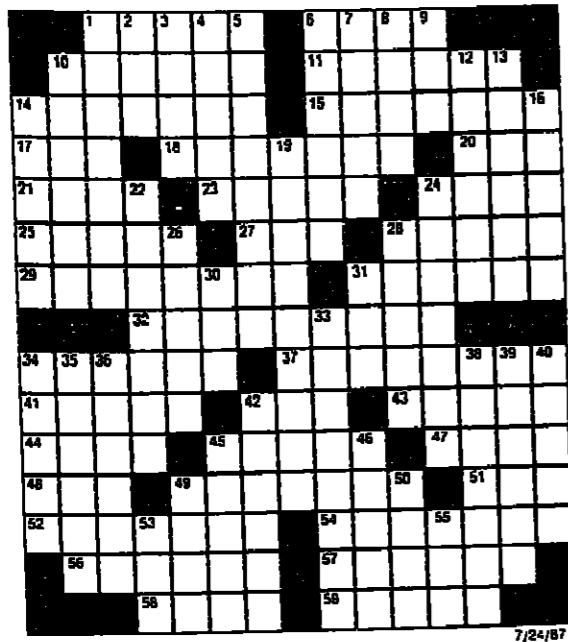
Table C: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CHX Net

Table D: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CHX Net

Table E: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CHX Net

Table F: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CHX Net

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend occurred 1/2 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, dividends are annual disbursements based on the latest declaration.



ACROSS

- 1 Man with the golden touch
6 Agave fiber
10 Salt marsh
11 Celtic earthy paradise
14 Pirate's vessel
15 Disconcerted, confused
17 Illuminated
18 Endurance
20 Lamb's mother
21 Author of "Exodus"
23 Vast chasm
24 Van Druten's "I Remember..."
25 "Square" trio
27 Ygorasi, e.g.
28 Critical
29 Contrite
31 Take umbrage
32 Beggar
34 Devices for holding
37 Spanish dance
41 Pates' counterparts
42 — rose
43 Flock of geese in flight
44 President
45 Cabot
45 Track events

DOWN

- 1 Scari character
2 French pronoun
3 Discoverer of the Cape of Good Hope
4 Author Loos
5 Spanish dance
6 Celtics' center
7 Russian soldiers
8 British farewell
9 Hgt.
10 Evening party
12 Fatigued salt
13 English cardinal and author
14 Cluster of plants
16 Gave out
19 Puzzled
22 More sweetie
24 "Man is Nature's sole..." — Gilbert
26 Paces
28 Sells
30 Nav. officer
31 Raced
33 Choral compositions
34 Impedes
35 Female demons
36 Suitable for farming
38 Derby winner: 1956
39 Superficially attractive
40 Beginning
42 Gave way to emotion
45 Tropical ray
46 Tangle
49 Actor Bridges from Hollywood
50 Former constellation
53 Neither Rep. nor Dem.
55 Exclamation of disdain

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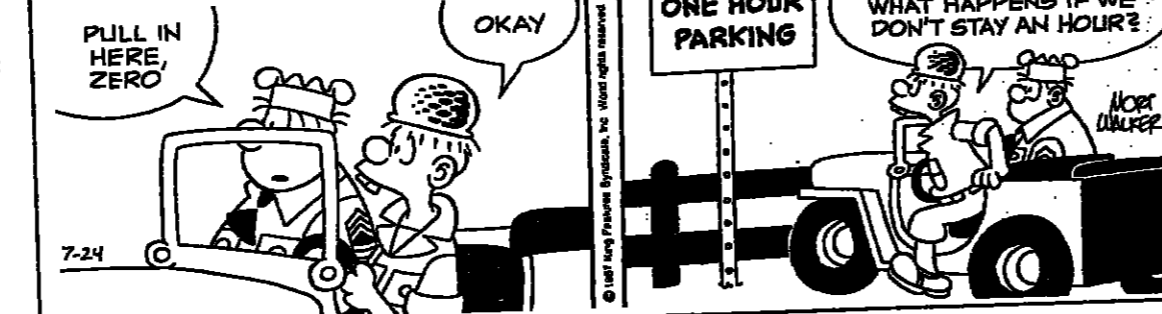
PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



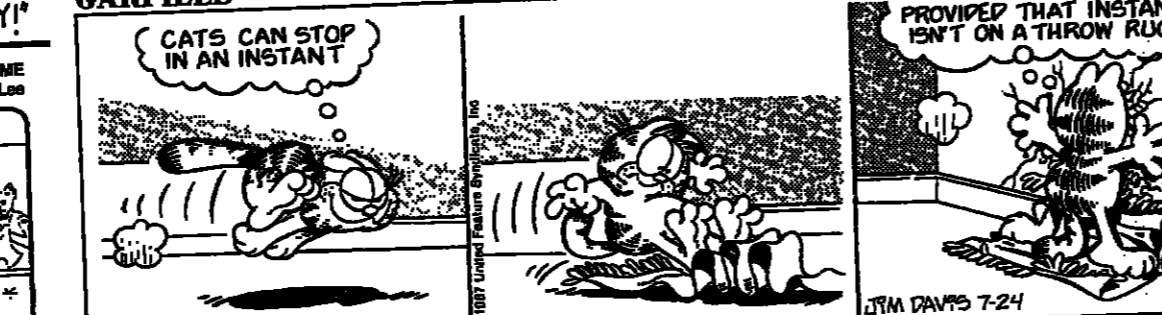
WIZARD OF ID



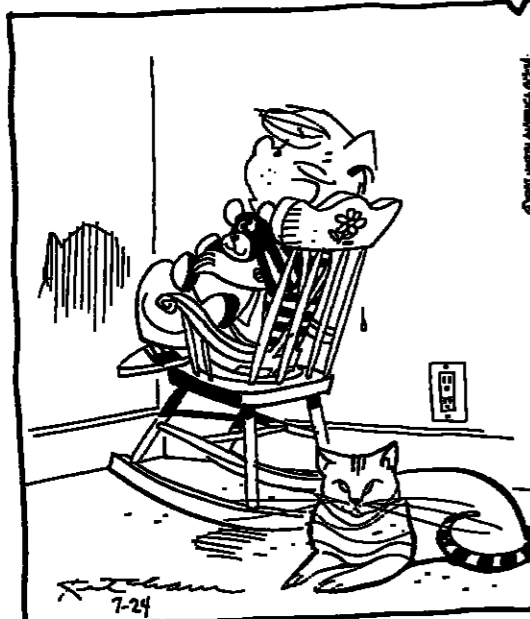
REX MORGAN



GARFIELD



DENNIS THE MENACE



Wow! I sure went from 'honey' to 'Dennis' in a hurry!

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

Word puzzle grid with letters: CUHLG, KALEY, YERRAT, SHAWCE.

WEATHER

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, Oceania, and Sydney.

World Stock Markets table showing closing prices in local currencies for various cities like Amsterdam, London, Hong Kong, etc.

BOOKS

THE CITY AND THE HOUSE

by Natalia Ginzburg. Translated from the Italian by Dick Davis. Seaver Books, 333 Central Park West, New York, N.Y. 10025.

PAUPER, BRAWLER AND SLANDERER

by Amos Tutuola. Faber and Faber, 39 Thompson Street, Winchester, Mass. 01890.

conflict stems from the three main characters, all of whom have been cast out of the village of their patrimony, forced (one might say) into a reluctant journey toward self-awareness.

LOVE IS THE HEART OF EVERYTHING: Correspondence Between Vladimir Mayakovsky and Lili Erik 1915-1930, edited by Bengt Jang.

This book — 416 effusive letters, notes, postcards, and telegrams — does not just chronicle the passionate liaison between Vladimir Mayakovsky (1892-1930) and Lili Erik (1891-1978) as testified, like the wreckage after a storm, to its stormy end.

Certainly the letters give us a clear and powerful impression of the hulking, boisterous (when not sulky) volatile, imposing Mayakovsky, a man of fiery bursting energy and sexual magnetism.

Solution to Previous Puzzle: A grid with words like MALTA, DIP, POOR, ALLEN, SARI, IMRE, STANG, OVAL, CADS, HORSETHIEF, KNEE, LEON, EMPIRE, PRISON, CURIO, AHOY, ERIC, SCAM, DELICIOUS, LOCKSOP, BEACH, SPAN, ETSI, KOREA, ESTATE, SEDUCE, TEAK, TRIP, BURGLARIES, ROOM, AROA, TORNO, REDD, TALL, ELAND, PEEN, ELS, RENES.

BRIDGE

By Alan Truscott. PLAYERS in Europe are accustomed to the idea of representing a club, a city, a county a province or a country.

Bridge game results table with columns for North, East, South, West and scores.

SPORTS

Seeking the Other Side to Strawberry

By Ira Berkow

NEW YORK — When Darryl Strawberry was a rookie four years ago, a veteran catcher on the Mets observed the 21-year-old's ability to crunch a baseball, to fly around the bases, and to fling a throw from the right-field corner with the power of no one, perhaps, since Roberto Clemente.



Darryl Strawberry rounds the bases.

"This has been festering for three years," said his manager, Dave Johnson. In Chicago in the early part of the season, Strawberry, asserting that he slept through a 10 A.M. wake-up call, got to the park around noon, and was fined again.

Strawberry complained that people were expecting too much from him, that he couldn't carry a whole team on his back. And there were other problems. Like a difficult divorce that, it seems, may have made him lose concentration at the plate, and watch 3-2 fastballs whip in for strike three.

Reliever Habyan Retires 19 in a Row for Orioles' 8th Consecutive Victory

CHICAGO — The Baltimore Orioles, who played like a bunch of sandlotters in the first half of the season, may yet be spoilers in the American League East.

John Habyan, who failed as a starting pitcher, was the star for Baltimore, pitching 6 1/3 innings in relief of Mike Boddicker to nail down the triumph. Habyan retired the final 19 batters he faced.



Mark Langston of the Mariners struck out seven Brewers to retain the American League lead in strikeouts, with 159.

The Padres' Rick Sutcliffe pitched his second complete game for his 100th major-league victory. Cardinals' 3, Dodgers 1: In Los Angeles, Jack Clark hit a tie-breaking, two-run homer to highlight a three-run ninth that gave St. Louis its 14th victory in 17 games.

Taylor Says Giants, NFL Knew of His Drug Abuse

NEW YORK — The New York Giants and the National Football League were aware of Lawrence Taylor's cocaine use two seasons ago and did nothing to stop it, the all-pro linebacker says in his autobiography.

"They certainly knew I was because they let me know," he said. He had tested positive for drug use in camp before the 1985 season.

He says he began using about half a gram of cocaine in 1982 and began using crack "from the middle of the '85 season 'til the end."

SCOREBOARD

Table with columns for Baseball, Track, and Major League Standings. Includes sub-sections for Wednesday's Major League Line Scores, World Records, and Transition.

Cycling

Table for Tour de France Twenty-Second Stage, listing riders and their times.

Football

Table for CFL Standings, showing team records and statistics.

Few to Doubt His Claim To Greatness

ROME — Said Aouita claims to be the greatest distance runner in the world. For those who saw him break the 13-minute barrier in the men's 5,000 meters at the Rome Olympic Stadium on Wednesday, it sounded like a natural claim.

Transition

BOSTON — Activated Rich Goodson, catcher, from the 15-day disabled list. He is expected to return to the active list and named him bullpen instructor.

Yearling Barometer Says No Price Recovery Yet

By Andrew Beyer. LEXINGTON, Kentucky — Although few people can afford the high stakes involved in the Keeneland Yearling Sale, just about everyone in the horse business was watching the results of the auction with great interest.

Bobby Knight Apologizes

SAN JUAN, Puerto Rico — Eight years later, Bobby Knight, the Indiana University basketball coach, has apologized for "misunderstanding" stemming from a 1979 incident in which he allegedly hit a San Juan policeman while he was coach of the U.S. team in the Pan Am Games.

Transition

BOSTON — Activated Rich Goodson, catcher, from the 15-day disabled list. He is expected to return to the active list and named him bullpen instructor.

Large classified advertisement section titled 'INTERNATIONAL CLASSIFIED' containing various services like ESCORTS & GUIDES, REGENCY NY, and MAYFAIR CLUB.

OBSERVER The Joys of Ad Land

By Russell Baker WASHINGTON — Wouldn't it be great to get out of the United States and go live in Ad Land? I thought about it again the night of the awful storms. Awful, awful storms. They flattened the corn and brought so much water down the creek that the fences washed away. In Ad Land you don't have to worry on nights like that. I saw a tornado strike one night in Ad Land. It didn't just wipe out the corn and knock down the fences; it destroyed the whole beautiful town of Adville.

The Take-Out Chef Comes to Dinner

By Trish Hall New York Times Service NEW YORK — The proposition was intriguing. Put a French chef in a minuscule New York kitchen. Deprive him of his own stove and copper pots, fresh herbs ready for snipping and fish plucked wide-eyed from Long Island Sound. What would he produce?



Floyd Evenson in supermarket; Pierre Franey exploring Evenson's cupboard.

There was only one way to force the chef and cookbook writer Pierre Franey into a confrontation with kitchen ingredients like stale bread and frozen dinners. The plan: to accost strangers in supermarkets as they shopped; to swoop without warning, giving them no chance to cheat and buy fancy things like lettuce. They would have to take him home, right then and there and reveal their cupboards, with a reporter tagging along.

the time he returned, he had registered the fact that strangers had invaded his kitchen. "OK," he asked, "who are these people?" Joel André, a native of Haiti, ended up chatting in French with Franey, who continued foraging, producing cloves, nutmeg and grated cheese. "I have to find something else," Franey murmured as he searched through the refrigerator. Mustard? No. Spaghetti sauce? No. Vinegar? Yes. The perfect underpinning for a sauce.

Jackie Gleason Changed Will Day Before Death

The comedian Jackie Gleason changed his will the day before he died, decreasing his wife's share of his estate and increasing bequests to his two daughters and secretary. His attorney declined to estimate the estate's value. Gleason, 71, died of cancer on June 24. Gleason decreased the share of his third wife, Marilyn, from half to one-third and raised the bequest for his secretary of 29 years, Sybil Spear, from \$25,000 to \$100,000. The balance is to be divided equally by Gleason's daughters from his first marriage, Geraldine Chastak and Linda Miller, each of whom was originally to receive a quarter.

Today's International Real Estate Marketplace. Features sections for Personal, Moving, Employment, and Auto Shipping. Includes contact information for various services and real estate agencies.

International Classified. A large section containing various classified advertisements including job openings, real estate listings, and business opportunities across multiple categories.

Beam your classified message to 164 countries for only \$12.00 a line. Advertisement for the International Herald Tribune's classified service, highlighting global reach and cost efficiency.

Vertical advertisements on the right margin, including 'Kick' and other small notices.